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EASTERN EUROPEAN INTELLIGENCER OCI# 1027/72

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#### State Dept. review completed

#### Zhivkov Calls For Brighter Future

Party leader Todor Zhivkov has laid down broad guidelines for ways to improve the average Bulgarian's standard of living. Zhivkov made his intentions known to a party plenum on 11-13 December in which he cited the need to correct existing problems in housing, incomes, labor conditions, public service, wages and prices, consumer goods, and proposed a new labor code. He promised specific organizational changes would follow in the not to distant future.

The full text of Zhivkov's report has yet to be translated, but preliminary readings indicate he made some unusual
concessions to consumers. For example, Zhivkov called for
a reduction of exports of goods in short supply on the
domestic market to be coupled with an increase in imports
of consumer goods. Zhivkov defended this move by saying
Bulgaria imports far less of its consumer goods (6-8%)
than some socialist countries which import as much as 17%
of their consumer goods. To dispell any lingering impressions that he has gone "soft", Zhivkov hastened to add that
more restrictions are needed to limit Bulgaria's few remaining private enterprises to guard against the exploitation
of workers, as well as measures to prevent workers from
earning two salaries as a result of moonlighting.

The Embassy reports the plenum is being given a great deal of publicity, probably because the subjects under consideration are of more than passing interest to the broad masses.

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### Prague On Czechoslovak-West German Negotiations

Prague has once again resurrected the <u>ab initio</u> issue in a public statement by Foreign Minister Chnoupek. Resurfacing the issue follows a three week moratorium which sparked widespread speculation in the West that the Czechoslovaks were being coerced into a more "realistic" position in its negotiations with West Germany.

The formula used by Chnoupek in an interview published on 14 December in the Slovak Communist Party organ, Pravda, called for West German recognition of the "initial invalidy" of the 1938 Munich Agreement and is apparently viewed by

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Prague as a concession from the traditional phrase "from the very beginning." It, however, is doubtful that Bonn will be impressed with this subtle semantic shift.

Meanwhile, Prague continues to lay the blame for the lack of progress on the "German revanchists", the leaders of the CDU/CSU, and on certain "West German imperialist circles" which are "constantly urging the Brandt government not to accept Czechoslovakia's just demand for the recognition of the nullity of the Munich Diktat." Although Prague's optimistic bubble that the SPD's success in the recent West German elections would lead to Bonn's recognition of Czechoslovakia's "legitimate demands" has obviously been burst, articles in Czechoslovak media continue to eschew blaming

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the Brandt government for the lack of progress.

NOTE : 'THE VIEWS EXPRESSED ABOVE REPRESENT ONLY THE ANALYSIS OF THE EE BRANCH.